

**06/21/2017**

**Practitioner Liaison Meeting**

**Boise, Idaho**

Time: 9:00 a.m. - 11:00 a.m.

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**Attendees:**

**Internal Revenue Service:**

- Jody Stamback, Sr. Stakeholder Liaison, Utah, SLF
- Pat Brown, Group Manager, Collection
- Brent Allred, Group Manager, Exam
- Kelly McConnell, Local Taxpayer Advocate

**Practitioner Representatives:**

- Cynthia Adrian, Idaho State Tax Commission
  - Bob Aldredge, Idaho State Bar – Tax Section
  - Ronald Caron, Attorney
  - Renee Eymann, Idaho State Tax Commission
  - Miri Gillihan, Idaho Association of Tax Consultants
  - Gynne Lethcoe, Idaho Society of CPA's
  - Tom Shaner, Idaho State Tax Commission
  - Kurt Stadlbaur, Tax Executives Institute
  - Laura Lantz, Idaho Society of CPA's
  - John McGown, Idaho State Bar – Tax Section
  - Treis Martin, La Posada Tax Clinic
  - Ken Roberts, Idaho State Tax Commission
  - Kent Christensen, Taxpayer Advocacy Panel, Idaho
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**Meeting Summary**

**Jody Stamback, Sr. Stakeholder Liaison:** Jody welcomed the group to the Boise PLM. He mentioned that this was a great opportunity to put faces with names.

He talked about several issues:

1. There was an email sent out today to ask if practitioners had heard about notices going out saying that 2<sup>nd</sup> quarter 941's were not received, when in fact they have been filed. No one at this meeting had heard of this issue.
2. He spoke about the PTIN system reopening:

On June 1, 2017, the United States District Court for the District of Columbia upheld the Internal Revenue Service's authority to require the use of a Preparer Tax Identification Number (PTIN), but enjoined the IRS from charging a user fee for the issuance and renewal of PTINs. As a result of this order, PTIN registration and renewal was suspended on June 2.

The IRS, working with the Department of Justice, is still considering how to proceed, but will make PTINs available while deciding how to address the court order. The IRS is resuming the issuance of PTINs, without charge, on June 21, 2017. As additional information becomes available, it will be posted on our [Tax Pros page](#).

#### FAQs

**Q: Are federal tax return preparers still required to have a PTIN?**

A: Yes. The court decision upheld the IRS' authority to require the use of a PTIN. Anyone who prepares, or assists in preparing, all or substantially all of a federal tax return for compensation is required to have a PTIN. All enrolled agents must also have a valid PTIN.

**Q: Will PTIN holders be receiving refunds for previous fees paid?**

A: The IRS, working with the Department of Justice, is considering how to proceed. As additional information becomes available, it will be posted on our [Tax Pros page](#).

**Q: If I obtain or renew my PTIN now at no cost, will I have to pay for it later?**

A: We can make no determinations with respect to future activity at this time.

**Q: Is the PTIN Helpline reopening?**

A: Yes. It will also reopen on June 21, 2017.

**Q: Is a PTIN still required to file a tax return, to be an Enrolled Agent or schedule an appointment for the Special Enrollment Examination**

A: Yes.

**Q: Will I be able to view my continuing education records when the PTIN system reopens?**

A: Yes. All previous information will still be displayed in online PTIN accounts.

**Q: Do I need to contact the IRS or file a claim for refund for previously paid PTIN fees?**

A: Do not contact the IRS. Any questions regarding claims or refunds should be directed to the PTIN Fees Class Action Administrator at [www.ptinclassaction.com](http://www.ptinclassaction.com).

3. He next spoke about the Nationwide Tax Forums. Information on the upcoming dates and locations is below.

#### **What are the IRS Nationwide Tax Forums?**

The IRS Nationwide Tax Forums offer three full days of seminars with the latest word from IRS leadership and experts in the fields of tax law, compliance and ethics. Attendees can:

- Select from multiple live seminars
- Earn up to 18 continuing professional education credits

- Explore the expo hall for the latest tax professional products and services
- Visit the Case Resolution Room

### How Do I Register?

Registration for the 2017 IRS Nationwide Tax Forums is now open! Register here - [Nationwide Tax Forums Website](#).

<b>IRS Nationwide Tax Forums 2017 Locations and Dates</b>		
ORLANDO, FL	Hilton Orlando Resort	July 11 - 13
DALLAS, TX	Hilton Anatole	July 25 - 27
WASHINGTON, DC	Gaylord National Hotel and Convention Center	August 22 - 24
LAS VEGAS, NV	Rio All-Suite Las Vegas Hotel and Casino	August 29 - 31
SAN DIEGO, CA	Town & Country Resort and Convention Center	September 12 - 14

4. Homepage Redesign was discussed next. We are planning a redesign of our homepage so that you can easily find what you need. If you have a few minutes, we want you to help us evaluate a proposed design by completing a quick activity. The responses from this 7-9 minute activity are confidential and anonymous. Thank your for helping us to improve our website. The link is on irs.gov under HOT TOPICS.
5. He mentioned a new twist on impersonation scams. In the latest twist, the scammer claims to be from the IRS and tells the victim about two certified letters purportedly sent to the taxpayer in the mail but returned as undeliverable. The scam artist then threatens arrest if a payment is not made through a prepaid debit card. The scammer also tells the victim that the card is linked to the EFTPS system when, in fact, it is entirely controlled by the scammer. The victim is also warned not to contact their tax preparer, an attorney or their local IRS office until after the tax payment is made.

"This is a new twist to an old scam," said IRS Commissioner John Koskinen. "Just because tax season is over, scams and schemes do not take the summer off. People should stay vigilant against IRS impersonation scams. People should remember that the first contact they receive from IRS will not be through a random, threatening phone call."

EFTPS is an automated system for paying federal taxes electronically using the Internet or by phone using the EFTPS Voice Response System. EFTPS is offered free by the U.S. Department of Treasury and does not require the purchase of a prepaid debit card. Since EFTPS is an automated system, taxpayers won't receive a call from the IRS. In addition, taxpayers have [several options for paying](#) a real tax bill and are not required to use a specific one.

## **Tell Tale Signs of a Scam:**

The IRS (and its authorized private collection agencies) will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. The IRS does not use these methods for tax payments. Generally, the IRS will first mail a bill to any taxpayer who owes taxes. All tax payments should only be made payable to the U.S. Treasury and checks should never be made payable to third parties.
- Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying.
- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

For anyone who doesn't owe taxes and has no reason to think they do:

- Do not give out any information. Hang up immediately.
- Contact the Treasury Inspector General for Tax Administration to report the call. Use their [IRS Impersonation Scam Reporting](#) web page. Alternatively, call 800-366-4484.
- Report it to the Federal Trade Commission. Use the [FTC Complaint Assistant](#) on FTC.gov. Please add "IRS Telephone Scam" in the notes.

For anyone who owes tax or thinks they do:

- [View your tax account information online](#) at IRS.gov to see the actual amount you owe. You can then also review your [payment options](#).
- Call the number on the billing notice, or
- Call the IRS at 800-829-1040. IRS workers can help.

The IRS does not use email, text messages or social media to discuss personal tax issues, such as those involving bills or refunds. For more information, visit the "[Tax Scams and Consumer Alerts](#)" page on IRS.gov. Additional information about tax scams is available on IRS social media sites, including YouTube videos.

6. Jody also mentioned the Issue Management Resolution System (IMRS). He talked about being able to participate virtually in any events that any of the organizations might be having.

**Pat Brown, Group Manager Collection:** Pat has worked for the IRS for 21 years, with the last five serving as a Collection Group Manager. There are only two groups of RO's in Boise. We have two secretaries and 14 RO's. He did say that with limited resources, he cannot afford to bring cases into his inventory, so you will have to use ACS and other options.

- 1. Private Debt Collection:** In April, the IRS began sending letters to a relatively small group of taxpayers whose overdue federal tax accounts are being assigned to one of four private-sector collection agencies.
- 2. Passport:** IRS has been coordinating with the State Department to restrict passports for international travel for taxpayers who owe more than \$50,000 and have not set up an agreement to resolve the balance.
- 3. OIC:** Recent change to Offers in Compromise: The IRS will reject the Offer if returns haven't been filed. Previously the IRS allowed some time for the taxpayer to file, no longer.
- 4. What is a Revenue Officer:** In April, the IRS has established a link on IRS.Gov to inform the public what the revenue officer position entails and to let them know that Revenue Officers do make unannounced field visits. The intent is to help the public better understand the role of the Revenue Officer. <https://www.irs.gov/uac/newsroom/how-to-know-it-s-really-the-irs-calling-or-knocking-on-your-door>

Since 2010 there has been a 42% decline in the number of field revenue officers nationwide. We have 2 collection groups in Utah. Scott Bowman manages one group, but has been detailed to the Area Directors Staff for 120 days, detailed in behind him as group manager is Gary Stanger. Cathy Pearson manages the other Utah Group. Currently there are 17 revenue officers working the State of Utah.

The challenge, in part: Currently there is over \$67.6 Billion due from unpaid 941 taxes. That only accounts for payroll taxes, not individual, corporate, or other types of taxes.

Not only is this putting a strain on the US Government, since we honor amounts withheld on a W-2 whether it has been paid or not, but business is competitive and often profit margins are small. Those employers' not paying taxes have an unfair advantage over compliant taxpayers.

With a significant amount of tax dollars outstanding and a diminishing revenue officer workforce you can see we have our work cut out for us. Compliance, particularly voluntary compliance, continues to be one of our main areas of emphasis. If noncompliant taxpayer behavior can be changed and they become compliant then the limited Collection resources can be used for more egregious offenders.

Of course, for a lot of folk's voluntary compliance can be a function of the risk they are willing to take and what chance they feel there is for them to be caught. With fewer enforcement personnel you see the challenge.

One way to address this and a key component of our FY17 priorities is Field Presence. To impact compliance, it's important that we are out and about and noticed by taxpayers and the taxpaying public.

You should be noticing an increased emphasis on collection activities such as completing or verifying financial statements at the business location or at the taxpayer's residence. When the taxpayer has a power of attorney they are welcome to be at the meeting or on the phone during the meeting, but it is important that revenue officers make a site visit to verify standard of living or view the business activity in order to make an accurate and fair collection resolution determination.

There are also several [Future State](#) projects to improve service to taxpayers and address compliance issues.

- [Early Interaction: Payroll Taxes](#) – (FTD Alerts - Educate and modify behavior)  
This project focuses on early interaction with employers falling behind on payroll tax deposits, hoping to prevent current and future liabilities by interacting with employers before their quarterly payroll tax return is due.
- [Online Payment Agreement](#) – The goal of this initiative is to increase taxpayer use of the Online Payment Agreement application, allowing them to quickly and easily set up a routine payment plan online. The requirements to qualify are on [irs.gov](#).
  - You owe \$50,000 or less in combined tax, penalties and interest, and filed all required returns and pay the balance in 72 month or before the statute expires
  - No user fees for agreements of 120-days or less.
  - Fees for agreements longer than 120 days: Direct Debit - \$31 [\$149 if offline]; other methods: \$149 [\$225 if offline].
- Initiatives to address issues with payroll providers include:
  - Certified Professional Employer Organizations – Voluntary certification program: Apply, meet tax compliance requirements, background investigation, demonstrate financial solvency, secure bonding and a few other requirements.
  - IRS will send out dual notices, to the provider and to the taxpayer
  - Enhancements to EFTPS including
    - PINs
    - Email confirmation of scheduled payments
    - Creating Form 14157, Return Preparer Complaint to report fraudulent or abusive behavior and tax schemes.
  - Impersonation Concerns:
    - Professionalizing revenue officer credentials
    - Implementing a phone number to call and verify the identity of the revenue officer

**Brent Allred, Group Manager – Examination:** Brent indicated that he has been an Exam group manager for 8 years. Exam on the whole is losing employees to attrition, but Boise is down just a couple of employees and is in pretty good shape. He mentioned that priorities are the same.

1. Abusive Tax Promoters – 2 Agents covering entire state. They just started a case on a promoter of false appraisals on timeshares. If you run across anything that you think qualifies, please submit using Form 14242. Many of the cases they get are received from the general public.
2. Lead Development Centers (LDC). Develops schemes and tax shelters. Examples are:
3. Increase in Partnerships/S-Corps – Officer Compensation. We look at structuring in these types of entities. Money being sent offshore.
4. ID Theft. Working the cases after the case has been identified to resolve issues. Campus mostly, but they still get a few in field exam.
5. Offshore Activity – Tax treaties are allowing us to get more taxpayer information. Not sure how long this program will go on before they decide to

6. National Research Program. Mostly 2015 1040 returns.
7. Preparer visits for compliance checks. They are currently still doing these, but that may change in the future.
8. Fast Track Settlement (FTS) Program. Work with appeals to try to resolve cases before they go to appeals.

Brent also suggested that if you have taxpayers that are going to be involved in an audit, have them check [irs.gov](http://irs.gov) for video information on the IRS Audit Process.

**Kelly McConnell, Local Taxpayer Advocate:** Kelly has been the Local Taxpayer Advocate for a 2 ½ years. Prior to that, he worked for the Idaho State Tax Commission. He stated that he was holding a problem solving day after the meeting if anyone had any cases that they needed help with. He also said that this was not the best forum for the problem solving day, as this meeting has the leaders of the organizations in attendance. He suggested that he could bring a team to any of the group yearly meetings to hold problem solving days.

He said that staffing was down right now, but that they would be fully staffed by the end of August. Their group will not be growing, but they are adding TAS locations in other areas where the cases warrant it, but there will always be a Local Taxpayer Advocate in every state.

ID theft is still the number one issue, but is down quite a bit. This means IRS is catching more of these and/or working them more efficiently.

He is seeing an upswing in EITC Correspondence Exam Audits. They are not getting done in proper time frames as employees are being pulled off to work on the phones. This causes the cases to sit there until TAS asks about them and then they get worked. TAS has raised this issue through their SAMS issue program, so I will not raise it in IMRS.

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## Issues & Status

**Issue** – CP2000 issue concerning Capital Gains tax being calculated incorrectly on the 2015 returns. This was a previous issue which she thought had been corrected, but is seeing it again. Jody will look into this and share with the group.

**Issue** – Had an issue with e-Services. Prior password would not work when trying to renew password. E-Help desk tells him he has to start completely over. This seems like it is not the way it should be. He will send me an email to send forward.

**Issue** – What security measures are the private debt collectors under? Do they have to have special requirements to keep the data safe? Taxpayer data and also the codes that they use for verification purposes could be at risk.

**Issue** – Bob Aldredge has a question on signature requirement for Form 706. He will send me an email with specifics.

**Issue** – Can I share the steps involved in a data breach? I am still working on this issue. There seems to be some concern about sharing the document we use. We are in the process of making a new publication that will cover most of this, but I am still working on getting some form of the document to you.

## **Roundtable & Comments**

**John McGown:** He mentioned an article that he saw on April 3, 2017. It was written and endorsed by NATP, National Association of Accountants, and the AACPA. IT discussed how to make the IRS better and was titled "Ensuring a Modern Functioning IRS for the 21<sup>st</sup> Century". If interested in this article please research and read it. He also added that he thinks voluntary compliance is important. Respect of the IRS is important. IRS needs to be better funded.

**Renee Eymann:** She handed out a flyer on the W-2 scam to help businesses know of the danger. They have issued this flyer here in Idaho and wanted to share with the group. She also mentioned the upcoming Solar Eclipse on August 21<sup>st</sup>. She wanted to make everyone aware that anyone selling anything or renting space may be subject to sales tax, local sales tax and travel and convention tax. She also mentioned that there are upcoming changes to Taxpayer Access Point. They are trying to make it a more streamlined experience.

**Ron Caron:** My client issued involves what I believe to be a currency scam. My clients converted \$2,500 of US dollars (USD) to about \$22,000,000 Vietnamese Dong (VND). My clients tell me that there is supposed to be a provision in the Paris Climate Treaty where all countries will convert to the gold standard thereby equalizing all currencies. This means my clients believe that for their \$2,500 USD investment they will soon receive \$22,000,000 USD upon this mythical gold standard conversion.

This is very similar to a prior currency scam that involved the Iraqi Dinar. If you Google "Iraqi Dinar Scam" you can find lots of good reading on the subject. I believe that the VND exchange is just the same wolf in a different sheep pelt.

At this time, my clients have shared nothing with me in the way of materials so I do not know who the promoter of this scheme is. Deep down I believe that my clients know they were taken and are embarrassed to admit it.

I will be very happy to share any promoter materials when and if I ever receive them.

**Laura Lantz:** Replaced Melissa at these meeting. Melissa retired at the ISCPA after 32 years of service. She is enjoying the meeting and trying to learn. We tend to use a lot of acronyms. She will get it.

**Kent Roberts:** Kent is Chairman of the Idaho State Tax Commission and has been 5 years. Before that he was a in the State Legislature for 12 years. He spoke about a modernization project that started 10 months ago. They want to reorganize to



consolidate outgoing communications. They are striving for a perfect day. The phone doesn't ring, all audits are no change and all forms work as they should.

They are changing their refund messaging by telling taxpayers to expect a refund to take 7 to 10 weeks. Reality is two weeks. They are under promising and over delivering. He wondered if the IRS was doing any of this type of message changing.

**Kent Christensen:** Idaho TAP member. TAP is a group of 70 volunteers that work to correct any systematic issues.

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**Next Scheduled Meeting – Tentatively scheduled for November 28, 2017 at 9:00 am. Boise Federal Building, Room 380 and 384.**